

## Message Text

PAGE 01 STATE 025500  
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 L-03 FTC-01 COME-00 TRSE-00  
SP-02 USIA-06 AID-05 NSC-05 CIEP-01 SS-15 STR-04  
OMB-01 CEA-01 CIAE-00 FRB-03 INR-07 NSAE-00 XMB-02  
OPIC-03 LAB-04 SIL-01 JUSE-00 /085 R

DRAFTED BY EB/IFD/BP:TASCHLENKER:CEK  
APPROVED BY EB/IFD/BP:HJWINTER  
EUR/CE:RCASAGRANDE  
L/EB:PMICKEY (INFO)

-----041556Z 058788 /43

P R 041525Z FEB 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BONN PRIORITY  
USMISSION USBERLIN PRIORITY  
INFO AMCONSUL FRANKFURT  
USMISSION OECD PARIS

LIMITED OFFICIAL USE STATE 025500

E.O. 11652: N/A

TAGS: ETRD, GW, US

SUBJECT: LUFTHANSA ANTITRUST INDICTMENT

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1. JUSTICE NOTIFIED DEPARTMENT THAT A CRIMINAL INDICTMENT WAS RETURNED FEB. 3 AGAINST LUFTHANSA, PAN AMERICAN AND TWA. CHARGE IS ONE COUNT MISDEMEANOR ALLEGING COLLUSION TO FIX MILITARY EXCURSION FARES. A COMPANION CIVIL CASE WILL ACCOMPANY THE CRIMINAL SUIT AND WILL ENJOIN THE DEFENDANTS FROM EVER ATTEMPTING TO AGREE UPON FARES NOT APPROVED BY THE CAB OR APPROPRIATE REGULATORY BODY. COMPLETE TEXT OF INDICTMENT AND CIVIL CASE WILL BE SENT WHEN AVAILABLE.

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2. FOR EMBASSY'S INFORMATION LUFTHANSA'S CHIEF OF TARIFFS, MR. HOLSTEIN, MET WITH JUSTICE ATTORNEYS LATE FEB. 1 IN THE PRESENCE OF LEGAL COUNSEL. A REPRESENTATIVE FROM THE FRG EMBASSY AND DEPARTMENT OFFICIALS (EB/BP AND L/EB) SAT IN ON THE MEETING. HOLSTEIN WAS ASKED ABOUT MEETINGS AND COMMUNICATIONS--PRIMARILY WITH PAN AMERICAN EMPLOYEES--CONCERNING THE INITIATION OF THE REDUCED MILITARY EXCURSION RATES IN 1972 AND THREE SUBSEQUENT INCREASES IN THESE RATES IN 1973 AND 1974. QUESTIONS WERE QUITE PRECISE, ASKING FOR CONFIRMATION OF DATES AND SUBSTANCE OF COMMUNICATIONS BE-

TWEEN HOLSTEIN AND HIS STAFF AND THE AMERICAN COMPANIES.

PANAM HAS APPARENTLY BASED PART OF ITS DEFENSE ON THE INTERPRETATION THAT LUFTHANSA AND THE FRG ACT IN UNISON, THAT AN AGREEMENT WITH ONE IS AN AGREEMENT WITH THE OTHER; HOLSTEIN WAS QUICK TO EXPRESS HIS DISAGREEMENT WITH THIS VIEW. OF PARTICULAR IMPORTANCE WAS THE MAGNITUDE OF THE THREE RATE INCREASES, 6 PERCENT INITIALLY BUT IN THE 20 AND 30 PERCENT RANGE FOR THE TWO SUBSEQUENT HIKES. THE FINAL RESULT WAS A QUOTE SPECIAL MILITARY EXCURSION RATE UNQUOTE THAT PARALLELED THE IATA MILITARY EXCURSION FARE. HOLSTEIN RECALLED A FEW OF THE ALLEGED WRITTEN AND ORAL CONTACTS WITH PANAM. HE HAD NO RECOLLECTION OF

CERTAIN OTHER CONTACTS AND WAS OFTEN UNABLE TO RECALL THE PRECISE DATES OF OTHER CONTACTS, BUT HE CONCEDED THAT BECAUSE OF THE PASSAGE OF TIME AND THE POSSIBLE ACTIONS OF OTHER MEMBERS OF HIS STAFF, HE COULD NOT BE CERTAIN.

VANCE

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PAGE 01 STATE 025500  
ORIGIN EB-02

INFO OCT-01 EUR-01 ISO-00 L-01 /005 R

66011

DRAFTED BY EB/IFD/BP:TASCHLENKER:CEK

APPROVED BY EB/IFD/BP:HJWINTER

EUR/CE:RCASAGRANDE

L/EB:PMICKEY (INFO)

EUR/RPE:RBRESLER

-----080305Z 089423 /64

P 071940Z FEB 77

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS PRIORITY

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FOL RPT STATE 025500 ACTION BONN USBERLIN INFO FRANKFURT OECD  
PARIS 4 FEB QUOTE

LIMITED OFFICIAL USE STATE 025500

E.O. 11652: N/A

TAGS: ETRD, GW, US

SUBJECT: LUFTHANSA ANTITRUST INDICTMENT

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VANCE

UNQUOTE VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 22-Sep-1999 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ANTITRUST, MILITARY AIRCRAFT, COURT DECISIONS, AIR FARES  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Litigation History:**  
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**Original Classification:** LIMITED OFFICIAL USE  
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**Page Count:** 3  
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**Review Release Event:** n/a  
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**Status:** NATIVE  
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**TAGS:** ETRD, GE, US, TWA, PANAM, LUFTHANSA  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

